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Held at Headquarters, New York, on Monday 24 February 2014, at 10 a.m.

President: Mr. García González (Vice-President) ..... (El Salvador)

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In the absence of Mr. Sajdik (Austria), Mr. García González (El Salvador), Vice-President, took the Chair.

The meeting was called to order at 10.15 a.m.

Operational activities of the United Nations for international development cooperation

(a) Follow-up to policy recommendations of the General Assembly and the Council (A/68/658-E/2014/7 and A/69/63-E/2014/10)

(b) Reports of the Executive Boards of the United Nations Development Programme/United Nations Population Fund/United Nations Office for Project Services, the United Nations Children's Fund, the United Nations Entity for Gender Equality and the Empowerment of Women, and the World Food Programme (E/2013/34/Rev.1, E/2014/49 and E/2014/51)

1. **The President**, opening the operational activities segment, said that Member States should take strong ownership of the implementation of General Assembly resolution 67/226, which dealt with the quadrennial comprehensive policy review of operational activities for development of the United Nations system. They should do so particularly at the level of the executive boards of the funds and programmes and the governing bodies of the specialized agencies, as well as in Council deliberations. In that connection, the Council should adopt a focused, well-prepared and effective decision-making approach, in order to give tangible meaning to the resolution and to contribute to more effective and balanced governance of the United Nations development system. Concrete progress on the implementation of the resolution was essential for the strategic and effective positioning of the United Nations development system to tackle the challenges it faced in the elaboration of the post-2015 development agenda.

2. During the operational activities segment, the Council would initiate a forward-looking dialogue on how the United Nations development system should prepare to adapt to the significant changes in the development landscape, including the growing number of development cooperation actors. Although the post-2015 agenda was still being developed, it was becoming increasingly clear that the end product would be a single framework revolving around poverty eradication and sustainable development. In that connection, the United Nations development system must be geared towards policy integration; programme coherence; alignment and harmonization of business practices; new and renewed partnerships; results and accountability; and collective action, including through the "Delivering as one" model. The Organization should also rediscover the spirit of adapting to change; revitalize the capacity-building role of its entities; increase its efficiency; lower its transaction costs; and reform the funding system for its operational activities.

3. The annual dialogue with the executive heads of the funds and programmes was a fundamental element in addressing the Millennium Development Goals and the challenges which the United Nations system must overcome in order to become fit for purpose. The panel discussion on the transition from relief to development shared the same objectives, albeit in the context of the complex realities of countries that were in crisis or emerging from conflict. Lastly, the operational activities segment in 2014 would, for the first time, include a dialogue with the specialized agencies, which would be called upon to share their experiences with both the current and the future business models.

4. **The Deputy Secretary-General** said that the world had changed dramatically since the adoption of the Millennium Declaration and the Millennium Development Goals in 2000, and was going through turbulent and exciting times filled with both challenges and opportunities. Yet, the far-reaching implications of the new global landscape for development cooperation and the role of the United Nations development system had not yet been fully grasped. As the Member States were deliberating on a new universal and unified post-2015 development agenda, the United Nations system must respond coherently by ensuring that its normative, standard-setting and operational decisions were interlinked. That would require new thinking and new approaches to its work models and financing to ensure its operational effectiveness. The quadrennial comprehensive policy review was the mechanism by which Member States gave the United Nations guidance on the changes it needed to make to meet its challenges.

5. The United Nations would also need to adapt to both the rapidly changing cooperation environment and the varying development needs of programme countries, many of which had crossed the threshold into middle-income status. While development policy used to be framed on the understanding that poor people and the poorest States shared the same space,

that was no longer true, with an estimated 75 per cent of the world's poorest people now living in middle-income countries. The Organization must seriously consider how that changing landscape affected its development policies.

6. Programme countries were increasingly expecting policy support from the United Nations system, often in areas that required simultaneous interventions across different sectors and a high level of expertise. New global challenges were also leading to growing demand from both developing and developed countries for new forms of collective response and new mechanisms for international cooperation. Responses to those changing needs in the post-2015 environment must include greater emphasis on strengthening the link between the normative and the operational roles of the United Nations system, introducing new business models, reducing fragmentation, renewing partnerships, and establishing accountability frameworks and monitoring mechanisms.

7. The funding environment for United Nations development operations was also changing. The United Nations development system remained the largest multilateral partner, representing a total of $23.9 billion or 17 per cent of total global official development assistance. While long-term funding trends had generally been favourable, the most recent trends were a cause for concern. The General Assembly had requested the executive boards of the funds and programmes and the governing bodies of the specialized agencies to organize dialogues in 2014 on how to finance the development results set out in their new strategic plans. Such dialogue was needed to strengthen the ownership by Member States of the functions, strategic priorities and financing requirements of the agencies, funds and programmes.

8. As the United Nations development system continued to seek ways of working with new partners, the funding base was becoming increasingly diversified, with earmarked contributions now the dominant feature in the funding architecture of the United Nations development system. While that could be considered a vote of confidence for the United Nations system, more efforts should be made to adopt a holistic approach in its operations, in order to avoid fragmentation and high transaction costs. To be a strong partner for Member States as they worked to meet their development needs, and to support them in translating global norms and standards into national policy, the United Nations system must continue to build on its core strengths, namely its universal presence, its legitimacy, its convening power, and the depth and breadth of its expertise.

9. Member States must continue to benefit from the diverse and specialized strengths of individual United Nations entities. At the same time, however, the system must explore opportunities for promoting collective action and support. The quadrennial comprehensive policy review gave an intergovernmental recognition, for the first time, to the "Delivering as one" model. While it remained a voluntary option, the model was being adopted and implemented by an increasing number of countries. It had put the United Nations in a better position to apply integrated policy responses to address poverty eradication and build longer-term resilience. A more cohesive United Nations at the country level was a dynamic model for building long-term sustainability.

10. Important progress had been made in recent years in enhancing policy integration and programme coherence and in harmonizing operational practices. It was time to take the next steps. The United Nations development system simply had to become fit for purpose in the post-2015 era. To that end, the Council should critically review the ability and potential of the system to serve programme countries in the most effective manner. It was time to ask tough questions and provide answers to meet the aspirations of people everywhere for a life of dignity for all.

11. **Mr. Wu** Hongbo (Under-Secretary-General for Economic and Social Affairs), introducing the report of the Secretary-General on the implementation of General Assembly resolution 67/226 (A/69/63-E/2014/10), said that ongoing changes in both the supply and the demand sides of development cooperation would require corresponding changes by the United Nations development system and global institutions in general. To that end, resolution 67/226 had set out an ambitious system-wide strategy which, if implemented effectively, should help the United Nations in responding to the changing development landscape.

12. The report gave an overview of the United Nations system's response to the mandate established by the resolution, including steps taken to improve its efficiency and effectiveness. It also cited recent trends in the funding of operational activities; noted how the

system should position itself ahead of the post-2015 development agenda; and indicated that a single, coherent quadrennial comprehensive policy review monitoring and reporting framework had been developed with full ownership by the United Nations development system. That framework contained a set of 99 results-oriented indicators for all measurable mandate areas, and clarified the methodology and identified sources for data collection, with a view to improving the comparability and analytical quality of future reports.

13. He greatly appreciated the support of the entire United Nations development system for his department in developing the framework. To date, 14 out of 22 United Nations entities had aligned their strategic plans for the period 2014-2017 to the quadrennial comprehensive policy review, thereby taking a significant step towards a more coherent United Nations system. Noting the intrinsic linkage between poverty eradication and sustainable development, several United Nations entities had embraced sustainable development as a key area of work in their strategic plans and had stepped up efforts to support South-South cooperation. However, the persistent challenges posed by rules, regulations, procedures and other transaction costs needed to be addressed effectively in order for the United Nations system to become a significant partner in South-South cooperation.

14. Despite the progress made in certain areas on gender equality and women's empowerment, the United Nations entities should continue their efforts in that regard, especially if most of them intended to meet the performance standards set by the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women by 2017. While important steps had been taken to improve the functioning of the United Nations development system, a number of far-reaching reform measures posed significant challenges to individual entities and to the system as a whole. In particular, the request for the timely unification of regulations, rules, policies and procedures, and the consequent consolidation of support services at the country level had direct implications for the organizational setup of individual entities.

15. All United Nations entities were still required to systematically implement all the provisions of the management and accountability system. In that connection, efforts to simplify and harmonize business practices were under way, focusing mainly on "Delivering as one" countries, for which the standard operating procedures had been introduced in the United Nations Development Assistance Framework rollout that had begun in 2013, with a support package to be rolled out in early 2014. Headquarter-level bottlenecks affecting the "Delivering as one" approach had also been identified and would be addressed through a specific plan of action.

16. Turning to recent trends in funding, he noted the overall decline in funding for both United Nations official development assistance and United Nations development-related activities, especially in the aftermath of the financial crisis. The core ratio for official development assistance had actually declined from 48 per cent in 1997 to 28 per cent in 2012, making the issues around cost recovery and critical mass even more crucial. Those trends underscored the importance of full cost recovery, which remained a work in progress in spite of the new cost recovery frameworks. The resolution on the quadrennial comprehensive policy review had requested the executive boards of funds and programmes to take steps to expedite action in that regard.

17. The report of the Secretary-General had noted that effective follow-up to the quadrennial comprehensive policy review must be situated in the context of the evolving post-2015 development agenda. It has also called for reflection on making the United Nations development system fit for purpose, particularly in the context of changes in the overall global environment and the new development cooperation landscape. The current discussion would lay the foundation for transformative changes. Strategic institutional and operational transformations at the United Nations, the most universal global institution, should stay ahead of the curve, not as an end in themselves but as a means to better serving its Member States.

18. *A panel discussion on the topic "The changing development landscape: What does it mean for the United Nations system?", moderated by Mr. Le Hoai Trung (Viet Nam), followed. The panellists were Mr. Jaime Alfredo Miranda Flamenco (Minister for Foreign Affairs, El Salvador); Ms. Emilia Pires (Minister of Finance, Timor-Leste); and Mr. Erik Solheim (Chair, Development Assistance Committee, Organization for Economic Co-operation and Development), and the lead discussant was Ms. Helen*

Clark (Chair, United Nations Development Group, and Administrator, United Nations Development Programme). The panellists made presentations and the lead discussant made a statement. An interactive discussion ensued, during which the panellists and the lead discussant responded to comments and questions from the representatives of Sweden, Benin, Ethiopia, Bangladesh, Brazil and the Democratic Republic of the Congo and the observers for Switzerland and the Syrian Arab Republic.

The meeting rose at 1.05 p.m.